

May 26th, 1941

TO THE HOUSE OF REPRESENTATIVES
FORTY-SEVENTH LEGISLATURE:

I return herewith House Bill No. 753 without my approval.

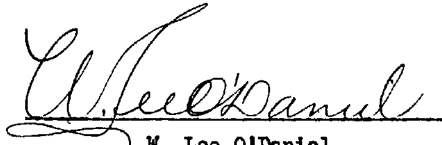
This act will deny benefits to a class of employees that need unemployment benefits most. It is a well-known fact certain employees employed by hotels, eating and drinking establishments depend entirely upon tips for their remuneration and in some instances pay the employer for the privilege of having a job. Most of these employees are in the low earning class and their earnings from tips are spasmodic and uncertain and in a majority of cases the tips represent the entire remuneration for the employee's services and the elimination of tips as wages under this act would deny unemployment benefits to such employees. I am informed that approximately 13,000 employees would be affected by this act. One of my chief objections to the administration of our social security program has been and is to so many of our common citizens being denied benefits because of some hitch in the law denying benefits to certain classes. In my opinion the benefits of the Unemployment Compensation law should be extended to more people instead of restricting benefits to a chosen few.

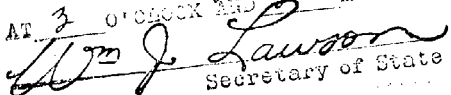
This type of legislation would encourage other groups to seek to have their employees exempted from the act, thereby reducing their tax, and denying benefits to thousands who need the compensation to tide them over periods of unemployment while looking for another job; and before long no one would be covered by the Unemployment Compensation law. In addition to this, if they do not find a job the unemployed person becomes a charge upon the public or must be cared for by charity. In either case

the employer benefiting by this act has shifted his responsibility to other employers who are taking care of their employees who become unemployed through no fault of the employee.

Surely employers who have the wages of their employees paid by the public can afford to pay the tax upon those wages. The present law provides a method of computing these wages which I think fair and reasonable to all concerned.

For the above reasons I cannot approve House Bill No. 753.


W. Lee O'Daniel
Governor of Texas

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
THIS 23 DAY OF July 1941
AT 3 O'CLOCK AND 30 MINUTES

Secretary of State